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UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

ROCCO CIOFOLETTI, et al.,

**STATUS UPDATE RE DEFENDANT  
SHURWEST, LLC'S BANKRUPTCY  
PROCEEDINGS**

Plaintiffs,

Case No: 0:18-cv-03025-JNE-ECW

v.

SECURIAN FINANCIAL GROUP, INC.,  
MINNESOTA LIFE INSURANCE  
COMPANY, SHURWEST, LLC,  
SECURIAN LIFE INSURANCE  
COMPANY and MINNESOTA  
MUTUAL COMPANIES, INC.,

Defendants.

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Pursuant to the Court's September 8, 2022 Order (ECF No. 300), Plaintiffs Eleanor Ciofoletti, Rocco Ciofoletti, and Larry Stospal (collectively, "Plaintiffs"), Defendant Shurwest, LLC ("Shurwest"), and Defendants Securian Financial Group, Inc., Minnesota Life Insurance Company, Securian Life Insurance Company and Minnesota Mutual Companies, Inc. (together, "Securian Defendants") hereby submit this status report regarding Shurwest's bankruptcy proceedings.

**CASE BACKGROUND**

Shurwest filed a Suggestion of Bankruptcy in this action on August 31, 2021, notifying the Court that Shurwest filed a petition for relief pursuant to Title 11 of the United States Code in the United States District Court for the District of Arizona,

titled *In Re Shurwest, LLC, an Arizona Limited Liability Corporation (FKA Shurwest Inc.)*, Case No. 21-bk-06723 (D. Ariz. Bky.). ECF No. 263. Based on the Suggestion of Bankruptcy, the Court stayed this action as to Shurwest as of August 31, 2021, and ordered that the action remain stayed as to Shurwest until further order of the Court by operation of 11 U.S.C. § 362(a). ECF No. 271.

On September 16, 2021, the Court granted the Securian Defendants and Plaintiffs' Stipulation for Stay of the Entire Case Except as to Certain Depositions and stayed the entire case<sup>1</sup> until further order of the Court. ECF No. 287.

The Parties previously provided an update to the Court regarding the status of Shurwest's bankruptcy proceeding on November 30, 2021 (*see* ECF No. 291) and September 30, 2022 (*see* ECF No. 302).

**STATUS OF THE SHURWEST BANKRUPTCY, VIABILITY OF THE STAY, AND RECOMMENDATIONS FOR CASE MANAGEMENT**

Significant events in the bankruptcy proceeding in this action include the following:

<b>Date</b>	<b>Event</b>
August 29, 2022	Shurwest filed its Amended Plan of Reorganization ("August 2022 Plan") ( <i>see</i> Bky. Dkt. 490).

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<sup>1</sup> The Court permitted the Parties to complete certain non-Shurwest depositions that had previously been noticed on or before October 1, 2021. All of the allowed depositions were timely completed.

November 1, 2022	Plaintiffs filed objections to the August 2022 Plan ( <i>see</i> Bky. Dkt. 544, 547).
November 8, 2022	The bankruptcy court held a hearing on the August 2022 Plan, ordering Shurwest to file an amended plan and providing a new objection deadline after the filing of the amended plan ( <i>see</i> Bky. Dkt. 553).
November 22, 2022	Shurwest filed its Second Amended Plan of Reorganization (“November 2022 Plan”) ( <i>see</i> Bky. Dkt. 558).
December 12, 2022	After a creditor filed an objection to the November 2022 Plan, Shurwest filed its Third Amended Plan of Reorganization (“December 2022 Plan”) (Bky. Dkt. 569). Plaintiffs did not file objections to either the November 2022 Plan or the December 2022 Plan.
December 15, 2022	The bankruptcy court held a hearing on Shurwest’s December 2022 Plan ( <i>see</i> Bky. Dkt. 576).
December 22, 2022	<p>The bankruptcy court entered its Order confirming Shurwest’s December 2022 Plan (Bky. Dkt. 579).</p> <p>In the Order, the bankruptcy court ordered, <i>inter alia</i>, that:</p> <ul style="list-style-type: none"> <li>• Each term of the December 2022 Plan “will be valid and enforceable in accordance with its terms”;</li> </ul>

	<ul style="list-style-type: none"> <li>• All objections to the December 2022 Plan . . . that have not been withdrawn, waived, or settled with Court approval are overruled on the merits”; and</li> <li>• The bankruptcy court retains jurisdiction of the case, including to “determine the allowance of claims” and “adjudicate any pending or filed adversary suits.”</li> </ul>
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Shurwest’s bankruptcy counsel anticipates that the Effective Date for the December 2022 Plan (as defined in the December 2022 Plan) will be sometime in early January 2023. Once the December 2022 Plan is in effect, the bankruptcy court will have exclusive jurisdiction over Plaintiffs’ claims as to Shurwest and thus Plaintiffs will be required to dismiss Shurwest without prejudice in this action.

In the interim, Plaintiffs believe it is appropriate to lift the stay as to plaintiffs’ claims against the Securian Defendants and allow the claims to proceed to resolution. As to Shurwest, the Parties agree it is appropriate to continue the existing stay. The Securian Defendants disagree that the stay should be lifted as to them. Plaintiffs’ claims against them are inextricably linked to Plaintiffs’ claims against Shurwest, and the stay should remain in effect as to the Securian Defendants until the Plan is in effect. Shurwest anticipates that following Plaintiffs’ imminent dismissal without prejudice of Shurwest in this action, no further status updates as to Shurwest or regarding the bankruptcy proceeding will be necessary.

Respectfully submitted,

Dated: Dec. 30, 2022

/s/ Lee Squitieri

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Attestation:

I, John C. Mitchell, hereby attest that I have received the consent of Lee Squitieri, counsel for Plaintiffs, and Gillian H. Clow, counsel for the Securian Defendants, to file this document and that they concur with this document's contents.